

(CLASSIFICATION)

CENTRAL INTELLIGENCE AGENCY

EXECUTIVE MEMORANDUM

OFFICE OF THE DIRECTOR

EXECUTIVE MEMORANDUM No. 158

DATE 27 May 1966

TO:

ROOM NO.

Deputy Director (Plans)

Deputy Director (Intelligence)

Deputy Director (Science & Technology)

Deputy Director (Support)

~~COMPTON~~

Inspector General

General Counsel

~~XXXXX~~ Assistant Director for National Estimates

Director, PPB

D/DCI/NIPE

O/ExDir ☐ jrf

Distribution:

- 1 - Ea addressee w/cy of Memo from the President for the Heads of Departments and Agencies dtd 24 May 1966 re the development of business-like financial systems throughout the Federal Government (ER 66-2397)
- 1 - ER w/orig of ER 66-2397
- ☒ 1 - ExDir w/cy of ER 66-2397

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66-2897

THE WHITE HOUSE
WASHINGTON

May 24, 1966

MEMORANDUM FOR THE

HEADS OF DEPARTMENTS AND AGENCIES

Secretary Fowler, Budget Director Schultze and Comptroller General Staats have just informed me about their plans to accelerate the pace of the Joint Financial Management Improvement Program. They have asked Civil Service Chairman Macy to assist in this worthy undertaking.

I have a strong and continuing interest in the development of business-like financial systems throughout the Federal Government. Such systems are essential to assist in carrying out a basic pledge of this Administration -- to get a dollar's value for a dollar spent. We must have financial systems which:

- provide the information our managers need for effective cost control -- for waging the war on waste,
- develop cost consciousness in men and women at every level of responsibility in every agency,
- assure financial integrity in everything the Government does,
- provide the types of financial data needed to support the planning-programming-budgeting system initiated last August, and
- enable the Government to apply the best and most efficient management and operating techniques.

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I am particularly pleased that the central agencies -- representing both the legislative and the executive branches -- will spearhead, with your active participation, a renewed joint program in this vital area of direct interest to both the Congress and the President.

The legislative groundwork for this program was laid sixteen years ago. While much progress has been made, much more is necessary if we are to discharge the responsibility placed upon us by the Budget and Accounting Procedures Act of 1950. Accordingly, I request the head of each executive department and agency to take immediate action to:

- Insure that the system of accounting and internal control in his agency meets management needs and conforms to the principles, standards, and related requirements prescribed by the Comptroller General.
- Work with the Civil Service Commission in developing a more vigorous program for recruiting and developing the professional personnel to design and operate effective financial management systems.
- Assure that financial reports and cost data provide adequate support for the planning-programming-budgeting system.
- See that the agency's managers are given the basic tools they need -- responsibility centered cost-based operating budgets and financial reports -- for setting and achieving maximum cost reduction goals.

The Budget Director will issue more detailed instructions with respect to this program. Your full support is needed. I want every manager -- the general manager and the financial manager alike -- to feel and respond to your personal demands for the use of highest quality, business-type financial information systems.

I want every manager to think of his part of the total Government in terms of everything he owns, everything he owes and the full cost of doing every job in relation to the products resulting from these costs. I want him to think of minimal costs and cost reduction as

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profit. And I want him to think in terms of his profit as a result of how he uses all the resources entrusted to him. These goals cannot be fully achieved without sound financial management practices.

With increased assistance by the central agencies, and a positive action program on your part, we can readily achieve what is contemplated in the Budget and Accounting Procedures Act -- the utilization of the best business practices in the day-to-day management of our Government.

A handwritten signature in dark ink, appearing to be "Richard J. ...", followed by a horizontal line.